

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUCAR 01118 01 OF 03 230921Z

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08
FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 L-03 H-01 SAJ-01 AGRE-00 /099 W
-----230934 009078 /12

R 221023Z FEB 77

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 1669

INFO AMEMBASSY BERLIN

AMEMBASSY BELGRADE

AMEMBASSY BUDAPEST

ADEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

AMCONSUL MUNICH

USMISSION GENEVA

USMISSION NATO

LIMITED OFFICIAL USE SECTION 1 OF 3 BUCHAREST 1118

E.O. 11652: N/A

TAGS: ECON, EEWT, EFIN, CSCE, RO

SUBJ: 1976 ANNUAL PLAN RESULTS FOR ROMANIA

REF: (A) 76 BUCHAREST 0224, (B) 76 BUCHAREST 4118, (C) 76
BUCHAREST 4427

1. SUMMARY. SCINTEIA (FEB 6) PUBLISHED RESULTS OF 1976
ANNUAL DEVELOPMENT PLAN (ADP). COMPARED WITH PLAN TARGETS
(REF A), GLOBAL INDUSTRIAL AND AGRICULTURAL PRODUCTION AS WELL
AS WORKER PRODUCTIVITY EXCEEDED EXPECTATIONS, WHILE NATIONAL
INCOME CAME IN ON TARGET. 1976 RESULTS FELL SHY OF PLAN GOALS
IN INVESTMENTS, FOREIGN TRADE, TRANSPORTATION, RETAIL SALES, AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUCAR 01118 01 OF 03 230921Z

SERVICES TO POPULATION. PROBLEMS EVIDENCED IN ENERGY, FOREIGN
TRADE, AND INVESTMENT REVEAL WEAK SPOTS THAT WILL RESTRAIN FUTURE
GROWTH. END SUMMARY.

2. AGGREGATE INDICATORS: BELOW ARE MAIN ECONOMIC INDICATORS
IN BOTH ABSOLUTE AND PERCENTAGE TERMS, TOGETHER WITH ADP
TARGETS:

INDICATOR	AMOUNT	PERCENT OVER 1975 ADP TARG	ET
NATIONAL INCOME--BILLION LET	400.0	10.5	10.5
GLOBAL INDUSTRIAL OUTPUT--			
BILLION LET	661.0	11.5	10.2
GLOBAL AGRICULTURAL OUTPUT--			
BILLION LET	110.0	17.2	15-26.6
WORKER PRODUCTIVITY IN REPUBLICAN			
INDUSTRY (PER WORKER)--			
THOUSAND LEI	257.2	8.8	8.5
TOTAL VOLUME OF INVESTMENTS IN			
NATIONAL ECONOMU--BILLION LEI	149.0	8.2	19.4
TOTAL VOLUME OF FOREIGN TRADE--			
BILLION LEI VLAUTA	60.8	14.5	17.8
VOLUME OF INTERNAL TRANSPORTATION			
OF GOODS--BILLION TONS/KM	83.2	5.2	5.8
RETAIL TRADE IN SOCIALIST SECTOR -			
BILLION LEI	154.6	8.6	10.0
SERVICES TO POPULATION--			
BILLION LEI	30.4	6.9	13.8

3. INDUSTRY: INDUSTRIAL GROWTH, WHILE SOMEWHAT LOWER THAN 13 PERCENT AVERAGE FOR 1971-75 FYP, IS DEFINITELY IN LINE WITH SLIGHTLY LOWER GROWTH EXPECTATIONS FOR CURRENT FYP. GROWTH RATE IS PACED BY CHEMICAL INDUSTRY N(PLUS 16.1 PERCENT), CONSTRUCTION MATERIALS (PLUS 14.5 PERCENT), AND LIGHT INDUSTRY (PLUS 13.1 PERCENT), EVEN THOUGH EACH BRANCH EXHIBITED CERTAIN PRODUCTION WEAKNESSES. CHEMICAL INDUSTRY FAILED TO MEET HIGHLY AMBITIOUS PLAN TARGET OF 18.3 PERCENT, DUE IN PART TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUCAR 01118 01 OF 03 230921Z

PRODUCTION SHORTFALLS IN MACROMOLECULAR PRODUCTS, ARTIFICIAL FIBERS, TIRES, AND CHEMICAL FERTILIZERS, THE LATTER PRODUCING ONLY 11U MT OUT OF 2.28 PLANNED. CONSTRUCTION MATERIALS SUFFERED FROM KEY SHORTFALL OF 1.5 MFT IN CEMENT PRODUCTION. LIGHT INDUSTRY DEFIED MUCH-REDUCED 1976 TARGET OF 8 PERCENT GROWTH, A RESULT OF OVERPRODUCTION IN 1975 AND INABILITY TO SELL ON RESTRICTED WESTERN MARKTES. MACHINE BUILDING (PLUS 12.2 PERCENT) AND FOOD INDUSTRY (PLUS 9.5 PERCENT) FELL SHORT OF ADP TARGETS (12.8 PERCENT AND 10.9 PERCENT, RESPECTIVELY). LACKING YEARLY TARGETS FOR ALL INDUSTRIAL BRANCHES, ONE CAN ONLY SURMISE--BASED ON 1976-80 FYP DATA (REF B)--THAT METALLURGY (FERROUS PLUS 11.6 PERCENT; NONFERROUS PLUS 7.2 PERCENT) AND WOOD EXPLOITATION AND PROCESSING (PLUS 4.5 PERCENT) ALSO APPARENTLY FAILED TO ACHIEVE PLAN OBJECTIVES. WITH REGARD TO FORMER, STEEL, ROLLED STEEL, STEEL PIPING, LEAD, AND ZINC ALL FAILED TO MEET PLANNED OBJECTIVES, AND COPPER PRODUCTION--THOUGH MEETING TARGET--FELL SHORT OF 1975 PRODUCTION FIGURE. STEEL PRODUCTION WAS PARTICULARLY HURT BY ESTIMATED 6-WEEK SHUTDOWN LAST SUMMER OF GALATI

STEEL COMPLEX DUE TO REPORTED ELECTRICAL EXPLOSION.

4. ENERGY-FUELS SECTOR EMERGED AS SIGNIFICANT PROBLEM AREA. PRODUCTION OF ELECTRICAL ENERGY (58,250 MILLION KWH, PLUS 8.4 PERCENT) AND METHANE GAS EXTRAS (29,823 MILLION CM, PLUS 10.5 PERCENT)

EXCEEDED ADP TARGETS, BUT LIGNITE PRODUCTION FELL SHORT OF 1975 FIGURE (18,164 MT, MINUS 5.1 PERCENT). CRUDE OIL PRODUCTION REMAINED AT 1975 LEVEL (14.7 MT) AS PLANNED. SCINTEIA REPORT NOTED WITH CONCERN THAT NATURAL GAS CONSUMPTION HAD EXCEEDED PLAN EXPECTATIONS AND REITERATED RCP POLITICAL EXECUTIVE COMMITTEE DECISION (FEBRUARY 4) TO "INTRODUCE A STRICT REGIMEN OF DELIVERIES FOR ALL CONSUMERS" IN ORDER TO RECOUP ENTIRE LOSS IN 1977-78. GOAL IS REDUCTION BY 10-15 PERCENT OF ENERGY CONSUMPTION BY ALL USERS IN ORDER TO AVOID POSSIBLY SIGNIFICANT INCREASE IN DOMESTIC FUEL PRICES.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BUCAR 01118 01 OF 03 230921Z

5. AGRICULTURE: NOTWITHSTANDING HIGHLY UNREALISTIC PLAN TARGET (15-26.6 PERCENT INCREASE BASED ON ASSUMPTION OF "GOOD AGRICULTURAL CONDITIONS"), GOR MET ADP OBJECTIVE WITH RECORD AGRICULTURAL OUTPUT IN ALL REPORTED CATEGORIES DESPITE POOR WEATHER CONDITIONS DURING HARVEST PERIOD. PRODUCTION FIGURES FOR CHIEF AGRICULTURAL COMMODITIES ARE GIVEN BELOW (IN THOUSAND TONS):

CROP	1971-75 MEDIAN	1976 RESULTS
CEREAL GRAINS -- TOAL	14,814	19,794
OF WHICH: WHEAT AND RYE	5,450	6,779
CORN AND SORGHUM	8,356	11,707
SUNFLOWERS	761	806
SUGAR BEETS	4,758	6,900
WINTER POTATOES	2,925	4,231
FIELD VEGATABLES	2,554	3,313
FRUITS	1,096	1,493

IMPRESSIVE HARVEST FIGURES DO NOT REMOVE STRONG SUSPICION THAT CROP QUALITY WAS GENERALLY POOR, DUE BOTH TO BAD WEATHER AND TO INADEQUATE TRANSPORT AND STORAGE FACILITIES, WHICH LED TO EXTENSIVE SPOILAGE AFTER HARVESTING. UNOFFICIAL ESTIMATES PUT LOSSES DUE TO ADVERSE WEATHER AT 10-15 PERCENT.

6. TECHNICAL INPUTS INTO AGRICULTURE DURING 1976 AMOUNTED TO 11,890 TRACTORS, 5,574 SELF-PROPELLED COMBINES, AND 1,144 MT CHEMICAL FERTILIZER, ALL EXCEPT COMBINES BELOW ADP TARGETS. REPORTS NOTED PROBLEMS WITH OPTIMAL UTILIZATION OF SUCH INPUTS AS WELL AS WITH ORGANIZATION OF AGRICULTURAL LABOR. INDEED, RECENT LEGISLATION HAS SOUGHT TO TIGHTEN UP ON COOPERATIVE FARM ORGANIZATION AND TO FIX RESPONSIBILITY FOR PRODUCTION RESULTS ON STATE FARM MACHINE-OPERATORS AND OTHERS IN POSITION OF MANAGEMENT AND TECHNICAL RESPONSIBILITY. IRRIGATED LANDS

TOTALLED 236,000 HA, WELL ABOVE 150,000 HA PLANNED BUT
SIGNIFICANTLY BELOW ALL-OUT 1975 EFFORT OF 519,000 HA.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 BUCAR 01118 02 OF 03 230926Z
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05
CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04
SIL-01 L-03 H-01 SAJ-01 AGRE-00 /099 W
-----230934 009113 /12

R 221036Z FEB 77
FM AMEMBASSY BUCHAREST
TO SECSTATE WASHDC 1670
INFO AMEMBASSY BERLIN
AMEMBASSY BELGRADE
AMEMBASSY BUDAPEST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW
AMCONSUL MUNICH
USMISSION GENEVA
USMISSION NATO

LIMITED OFFICIAL USE SECTION 2 OF 3 BUCHAREST 1118

UNDER FORESTRY CONSERVATION PROGRAM, 67,700 HA WERE
AFFORESTED IN 1976, 3,700 HA MORE THAN PLANNED.

7. IN CONTRAST TO COMMODITY PRODUCTION, LIVESTOCK NUMBERS
FAILED TO MEET ADP OBJECTIVES WITH EXCEPTION OF POULTRY,
WHICH REGISTERED SIGNIFICANT 12.8 MILLION GAIN OVER A YEAR
AGO. OTHER CENSUS FIGURES ARE CATTLE - 6.35 MILLION HEAD
(ADP - 6.62 MILLION), HOGS--10.19 MILLION HEAD (ADP -
10.25 MILLION), AND SHEEP AND GOATS--14.77 MILLION HEAD
(ADP - 14.77 MILLION), SHORTFALLS WERE BLAMED ON LACK OF
SUFFICIENT FORAGE, WEAK APPLICATION OF SANITARY-VETERINARY
MEASURES, AND DEFICIENCIES IN ANIMAL BREEDING AND SELECTION.
LIVESTOCK DIFFICULTIES WERE ALSO REFLECTED IN SHORTFALL
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUCAR 01118 02 OF 03 230926Z

IN MEAT PRODUCTION, AND ANIMAL INVENTORIES BELOW TARGET LEVELS ARE LIKELY TO RESULT IN LOWER THAN EXPECTED MEAT PRODUCTION FOR NEXT 1-2 YEARS IN ORDER THAT CENSUS FIGURES REACH DESIRED LEVELS BY 1980.

8. STANDARD OF LIVING: PICTURE FOR CONSUMER IS UNCLEAR BY VIRTUE OF YET ANOTHER SHIFT IN REPORTED INDICATORS. REAL WAGES FOR NONFARM EMPLOYEES ROSE AT LITTLE MORE THAN HALF (6.1 PERCENT) RATE OF GROWTH OF MONETARY INCOME OF CAP/IAS FARMERS (11.6 PERCENT), REFLECTING GOV POLICY OF FAVORING AGRICULTURAL WORKERS. PRICES WERE SAID TO BE ONLY 0.9 PERCENT HIGHER THAN IN 1975. ON OTHER HAND, RETAIL TRADE, TRANSPORTATION, AND SERVICES TO POPULATION ALL RAN BELOW ADP TARGETS, WITH LATTER TWO COMING IN FOR CRITICISM FOR POOR QUALITY AND DIVERSITY OF SERVICES PROVIDED.

9. REPORT PROVIDED TABLE ON RETAIL SALES ON CONSUMER GOODS WHICH, UNFORTUNATELY, COULD NOT BE COMPARED WITH PLANNED SALES EITHER IN ADP OR IN 1976-80 CONSUMER GOODS COUNCIL PROGRAM (REF C). FOOD ITEMS, WHICH IN PAST SEEMED TO BE PERIODICALLY IN SHORT SUPPLY IN STORES, REGISTERED HEALTHY GAINS FROM 1975: MEAT AND MEAT PRODUCTS (PLUS 15.4 PERCENT), EDIBLE OILS (PLUS 8.3 PERCENT), AND SUGAR (PLUS 14.3 PERCENT). INTERESTINGLY,

ON PRODUCTION SIDE MEAT (815,400 TONS) AND SUGAR (561,000 TONS) BOTH REGISTERED ADP SHORTFALLS (923,000 TONS AND 594,000 TONS, RESPECTIVELY), AND MEAT PRODUCTION TARGET HAD EVEN BEEN REDUCED IN MIDYEAR FROM 945,000 TONS. FRESH VEGETABLES (PLUS 8.6 PERCENT), FRESH FRUITS (PLUS 8.4 PERCENT), AND EGGS (PLUS 9.3

PERCENT) IMPROVED, AL THOUGH THESE COMMODITIES HAVE TRADITIONALLY TRADED BETTER IN PRIVATE MARKETPLACE. PROCESSED FOOD PRODUCTION WAS PACED BY SUBSTANTIAL GROWTH IN CHEESE PRODUCTS (PLUS 20.6 PERCENT), MARGARINE (PLUS 41.1 PERCENT), SUGAR PRODUCTS (PLUS 31.3 PERCENT), AND CANNED FRUITS AND VEGETABLES (PLUS 22.1 PERCENT).

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUCAR 01118 02 OF 03 230926Z

10. FOR SECOND STRAIGHT YEAR, LIGHT INDUSTRY EXCEEDED ADP OBJECTIVES AND MAY WELL BE FACED WITH RECURRING PROBLEM OF UNSALABLE INVENTORIES. HOUSEHOLD ELECTRICAL APPLIANCES, GLASSWARE, CLOTHING, AND FURNITURE ALL FULFILLED THEIR PRODUCTION TARGETS, AND RETAIL SALES WERE SHARPLY UP FOR CARS (22 PERCENT), REFRIGERATORS (13.8 PERCENT), AND WASHING MACHINES (14.3 PERCENT). MANUFACTURE OF RADIOS AND TVS, HOWEVER FAILED TO MEET PLAN TARGETS, AND RETAIL SALES FAILED EVEN TO KEEP PACE WITH PRODUCTION. RECENT MEETING WITH

DEPUTY PM AND CONSUMER GOODS COUNCIL PRESIDENT PAUL NICULESCU ELICITED COMMENT THAT CONSUMER GOODS PRODUCTION WAS "SUFFICIENT" FOR DOMESTIC NEEDS, A STATEMENT WHICH IF BELIEVABLE AND IF ADDED TO FACT OF RESTRICTIVE WESTERN MARKETS FOR ROMANIAN GOODS--SIGNALS EITHER OVERPRODUCTION OF LOW-QUALITY GOODS OR SERIOUS GOR MISCALCULATION.

11. ON OTHER CONSUMER FRONTS, 138,200 NEW FAMILY RESIDENCES WERE CONSTRUCTED, OF WHICH 66,100 CAME FROM STATE FUNDS, 45,100 WERE FUNDED FROM PRIVATE SOURCES WITH STATE CREDIT ASSISTANCE, AND 27,000 WERE FINANCED WHOLLY OUT OF PRIVATE POCKETS. ADDITIONAL HOUSING FOR 72,300 SINGLE PERSONS WAS CONSTRUCTED. SOCIAL-CULTURAL EXPENDITURES ROSE BY 8.4 PERCENT (55.2 BILLION LEI), SOMEWHAT BELOW ADP FORECAST OF 10.5 PERCENT.

12. INVESTMENTS: DESCRIBED AS "AMPLE INVESTMENT PROGRAM", 1976 INVESTMENTS NEVERTHELESS FELL MORE THAN 10 BILLION LEI SHORT OF AMBITIOUS 159.4 BILLION LEI GOAL, WHICH WAS ITSELF CONSEQUENCE OF INVESTMENT SHORTFALL IN 1975. FIGURE OF 446 MAJOR PROJECTS STARTED IN 1976 WAS ABOVE 355 PLANNED, BUT BELOW 530 IN 1975 ADP. SINCE SECTORAL INVESTMENT RESULTS WERE NOT PROVIDED, IT IS IMPOSSIBLE TO PINPOINT WHERE INVESTMENTS FELL SHORT, BUT INDUSTRIAL CONSTRUCTION WAS SINGLED OUT WITH CRITICISM FOR "EXAGGERATIONS IN THE DIMENSIONS OF CONSTRUCTION, WITH (ADVERSE) CONSEQUENCES FOR THE CONSUMPTION OF MATERIALS AND THE COST OF INVESTMENT, EXECUTION OF CONSTRUCTION WORK AND INSTALLATION OF EQUIPMENT." APPARENT DEFICIENCIES AND DELAYS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BUCAR 01118 02 OF 03 230926Z

IN CONSTRUCTION AND SUPPLY LED TO "UNREALIZED INVESTMENTS ..IN A NUMBER OF SECTORS." TWO-YEAR INVESTMENT SHORTFALL WILL NO DOUBT COME TO ROOST AS ROMANIA APPROACHES END OF CURRENT FYP, PARTICULARLY IN SUSTAINING HIGH ECONOMIC GROWTH RATES.

13. FOREIGN TRADE. ROMANIA REGISTERED SURPLUS OF 200 MILLION LEI, FIGURE SOMEWHAT SHY OF WHAT WE HAD INFERRED FROM EARLIER CONVERSATIONS WITH DEPUTY PM AND MFT HEAD PATAN. TOTAL TURN-OVER REACHED 60.8 BILLION LEI (INCREASE OF 14.5 PERCENT), WHICH FULFILLED ABSOLUTE PLAN TARGET (60.7 BILLION) BUT FELL SHORT OF PERCENTAGE GOAL (PLUS 17.8 PERCENT), DUE UNDOUBTEDLY TO USUAL UNEXPLAINED SHIFT IN BASE PERIOD. IN NOVEMBER PATAN TOLD US GOR HAD SURPLUS BOTH ON CONVERTIBLE ACCOUNT AND IN TRADE WITH COMMUNIST COUNTRIES. IF STATEMENT VALID FOR FULL YEAR, THEN BALANCE OF TRADE WITH CONVERTIBLE AREA, CALCULATED AT OFFICIAL RATE, FELL SHORT OF TARGET OF SDR 129 MILLION SURPLUS THAT IMF HAD ESTABLISHED WITH ROMANIA IN CONSULTATIONS ON STAND-BY ARRANGEMENT. SPARSE NARRATIVE COMMENTARY STATES ONLY THAT ROMANIAN EXPORTS REFLECTED INCREASED DEGREE OF PROCESSING WHILE IMPORTS ASSURED SUPPLIES OF RAW MATERIALS, MACHINERY AND EQUIPMENT NECESSARY FOR DEVELOPMENT OF PRODUCTIVE PROCESS,

AND CONSUMER GOODS REQUIRED TO DIVERSIFY CONSUMPTION ZKSIC).
WITH CUSTOMARY PRIDE AND PRESUMED EYE ON BELGRADE, COMMUNIQUE
OBSERVES THAT GOR CONCLUDED 38 ECONOMIC COOPERATION AGREEMENTS
WITH 24 COUNTRIES IN 1976. FOOTNOTE ON TOURISM NOTES THAT
3.5 MILLION PERSONS VISITED COUNTRY LAST YEAR.

14. REGIONAL DEVELOPMENT. DURING DECEMBER SCINTEIA
PUBLISHED WITH SOME FANFARE INDUSTRIAL PLAN FULFILLMENT
BY COUNTY (JUDET). IN ALL, 30 COUNTRIES AND BUCHAREST
MUNICIPALITY FULFILLED 1976 PLAN, MOST DURING LAST 10
DAYS OF YEAR. OF NINE REMAINING COUNTIES (ARGES. BACAU,
DOLJ. GORJ, IALOMITA, MEHEDINTI, SALAJM TELEORMAN, AND
TULCEA), SIX FALL INTO CATEGORY OF LEAST DEVELOPED COUNTIES,
MOST OF WHICH WERE RECIPIENTS OF SUPPLEMENTARY INVESTMENT
INVESTMENT FUNDS FROM STATE. PROVINCIAL RETURNS INDICATE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 BUCCHAR 01118 02 OF 03 230926Z

THAT TRADITIONAL PATTERN OF "RICH GETTING RICHER" STILL
PREVAILS OVER CEAUSESCU DICTUM OF "MULTILATERALLY DEVELOPED
SOCIETY."

15. INFORMATION DISCLOSURE: FOR CSCE CONSIDERATION,
COMMUNIQUE MAKES AVAILABLE SUBSTANTIAL THOUGH
BY NO MEANS COMPLETELY SATISFACTORY ARRAY OF ABSOLUTE AND
PERCENTAGE DATA. MUCH OF THIS DATA IS READILY COMPARABLE WITH
THAT ALREADY PUBLISHED IN STATISTICAL ANNUAL, AND THERE SEEMS
TO HAVE BEEN GREATER ATTENTION PAID BY GOR STATISTICIANS TO
STANDARDIZING REPORTING CATEGORIES. NEVETTHELESS, AS INDICATED
ABOVE, WE ARE PERSISTENTLY FACED WITH PROBLEMS OF
NONCOMPARABILITY AND INCOMPLETENESS OF DATA PROVIDED IN FYP,
ADP, AND PLAN RESULTS ANS WELL AS WITH POORLY DEFINED REPORTING
CATEGORIES. CHIEF COMPLAINTS ON THIS OCCASION WERE ABSENCE
OF PLANNED GROWTH RATES BY INDUSTRIAL BRANCH, LACK OF PUBLISHED
ITEM-BY-ITEM RETAIL SALES TARGETS, AND FAILURE TO BREAK
DOWN ACHIEVED INVESTMENT FIGURE BY ECONMIC SECTOR.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 BUCCHAR 01118 03 OF 03 230703Z POSS DUPE
ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 AID-05 CIAE-00 COME-00 EB-08

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-04 CEA-01 L-03 H-01 SAJ-01 AGRE-00 /099 W

-----230933 007587 /12

R 221236Z FEB 77

FM AMEMBASSY BUCHAREST

TO SECSTATE WASHDC 1671

AMEMBASSY BERLINE

AMEMBASSY BELGRADE

AMEMBASSY BUDAPEST

AMEMBASSY MOSCOW

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

AMEMBASSY WARSAW

AMCONSUL MUNICH

USMISSION GENEVA

USMISSION NATO

LIMITED OFFICIAL USE SECTION 3 OF 3 BUCHAREST 1118

16. COMMENT: TO EXTENT WE CAN CREDIT THEIR STATISTICS, ROMANIANS HAVE MANAGED TO GET OFF TO FLYING START IN CURRENT FYP. LUNCHPIN OF DEVELOPMENT--INDUSTRIAL SECTOR--CONTINUED TO DRIVE ECONOMY FORWARD AT CLIP WHICH COMPENSATED FOR SHORTFALLS ELSEWHERE. COMMUNIQUE GLOSSED OVER WEAK AREAS WITH STANDARD CLAIM OF NEWLY INTRODUCED PRODUCTS AND TECHNIQUES AS WELL AS ECONOMIES IN MATERIAL USAGE. MAINTENANCE OF THIS PACE IN 1977 AND BEYOND, HOWEVER, IS CHANCIER. GOR MUST RECTIFY IMMEDIATELY SERIOUS DEFICIENCIES IN ITS INVESTMENT PROGRAM, FAILING WHICH INDUSTRIAL GROWTH RATE WILL ASSUREDLY FALL OFF. REAL DILEMMA IS EVIDENT IN ENERGY FIELD, WHERE DEVELOPMENT OF INDIGENOUS LIGNITE IS SIMPLY NOT PROGRESSING QUICKLY ENOUGH TO RELIEVE PRESSURE ON NATURAL GAS. IN AGRICULTURE, GIVEN CLIMATIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUCAR 01118 03 OF 03 230703Z POSS DUPE

VARIABLES, ODDS OF EVEN EQUALLING THIS YEAR'S RECORD AGRICULTURAL GROWTH ARE LESS THAN EVEN ALTHOUGH 1977 TARGET IS TREMENDOUSLY SCALED DOWN (PLUS 1.9-13.6 PERCENT). LIMITATIONS OF INTERNAL TRANSPORT SYSTEM, ESPECIALLY MANIFEST DURING FALL HARVEST AND AT PORTS, ARE ALSO ACTING AS DRAG ON GROWTH. FINALLY, DEPENDING IN IMF ATTITUDE, ROMANIA COULD BE OBLIGED TO TAKE FURTHER STEPS TO CURB IMPORT GROWTH--ACTION WHICH WOULD COMPLICATE INVESTMENT LANS AND/OR PINCH SUPPLIES OF NEEDED RAW MATERIALS. DESPITE REAL AND INCIPIENT PROBLEMS, HOWEVER, WE HAVE NO REASON TO EXPECT ABRUPT DECLINE IN ECONOMIC PERFORMANCE. IN LAST ANALYSIS, WE CANNOT BE TOO CRITICAL OF ECONOMY WHICH DEFIES CHRONIC FORECASTS OF DOOM AND WHICH CONSISTENTLY RACKS UP HIGHEST GROWTH RATES IN EE. BARNES

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BUDGET, ECONOMIC DEVELOPMENT, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977BUCHAR01118
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770062-0523
Format: TEL
From: BUCHAREST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770222/aaaaatqq.tel
Line Count: 440
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c545f2c3-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 9
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 BUCHAREST 224, 76 BUCHAREST 4118
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3268683
Secure: OPEN
Status: NATIVE
Subject: 1976 ANNUAL PLAN RESULTS FOR ROMANIA
TAGS: ECON, EEWT, EFIN, RO, CSCE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/c545f2c3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009